

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re: W.R. GRACE & CO., <i>et al.</i>, Debtors.	§ § § § § §	Chapter 11 Jointly Administered Case No. 01-01139 (KJC)
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**FEE AUDITOR’S FINAL REPORT REGARDING THE TWENTY-SEVENTH¹
INTERIM FEE APPLICATION AND FINAL APPLICATION OF CHARTER OAK
FINANCIAL CONSULTANTS, LLC, FOR APPROVAL AND ALLOWANCE OF
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES FOR THE PERIOD OF JULY 30, 2007 THROUGH FEBRUARY 3, 2014**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Twenty-Seventh Interim Fee Application and the Final Application of Charter Oak Financial Consultants, LLC, for Approval and Allowance of Compensation for Services Rendered and Reimbursement of Expenses for the Period of July 30, 2007 through February 3, 2014 (the “Applications”).

BACKGROUND

1. Charter Oak Financial Consultants, LLC (“Charter Oak”), was retained as financial advisor to the Official Committee of Asbestos Personal Injury Claimants. In the Applications, Charter Oak seeks approval of fees and expenses as follows: fees totaling \$77,545.75 and expenses totaling \$498.00 for its services from January 1, 2014, through February 3, 2014 (the “Fifty-Second

¹Although this is the twenty-seventh quarterly fee application which Charter Oak has filed in the case, it covers January 1, 2014 through February 3, 2014, which is the Fifty-Second Interim Period.

Interim Period”), and final approval of fees totaling \$1,904,450.14² and expenses totaling \$2,712.64³ for its services from July 30, 2007 through February 3, 2014 (the “Final Application Period”).

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Applications in their entirety, including each of the time and expense entries included in the exhibits to the Applications, for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Effective February 1, 2014, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. §330, Issued January 30, 1996 (the “U.S. Trustee Guidelines”), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals.

DISCUSSION

Fifty-Second Interim Period

3. We have no issues with, or objections to, Charter Oak’s fees and expenses for the Fifty-Second Interim Period, and thus we did not send an initial report to Charter Oak.

²We note that the total of the fees requested in Charter Oak’s 26 prior fee applications, plus the compensation sought for the Fifty-Second Interim Period, is \$1,904,862.64. It appears that Charter Oak has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 5, to arrive at the figure it seeks of \$1,904,450.14. We note that the Court has ruled on the First through Fifty-First Interim Periods, but no ruling has been made on the Fifty-Second Interim Period.

³We note that the total of the expenses requested in Charter Oak’s 26 prior fee applications, plus the expenses sought for the Fifty-Second Interim Period, is \$2,717.64. It appears that Charter Oak has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 5, to arrive at the figure it seeks of \$2,712.64. We note that the Court has ruled on the First through Fifty-First Interim Periods, but no ruling has been made on the Fifty-Second Interim Period.

4. Thus, we recommend approval of \$77,545.75 in fees and \$498.00 in expenses for Charter Oak's services for the Fifty-Second Interim Period.

Prior Interim Applications

5. We note that we previously filed the following final reports for Charter Oak's, prior interim applications, which final reports we incorporate by reference herein, and we also note the following orders that ruled on Charter Oak's prior interim fee applications:

26th Period: Fee Auditor's Amended Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Twenty-Sixth Interim Period (Docket #18176), filed on or about February 29, 2008, in which we recommended approval of fees totaling \$116,569.00 and expenses totaling \$489.59. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twenty-Sixth Period, dated March 12, 2008 (Docket #18270).

27th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Twenty-Seventh Interim Period (Docket #18887), filed on or about June 9, 2008, in which we recommended approval of fees totaling \$44,379.84 and expenses totaling \$12.50. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twenty-Seventh Period, dated June 23, 2008 (Docket #18989).

28th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Twenty-Eighth Interim Period (Docket

#19535), filed on or about September 15, 2008, in which we recommended approval of fees totaling \$203,193.80 and expenses totaling \$336.00. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twenty-Eighth Period, dated October 1, 2008 (Docket #19663).

29th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Twenty-Ninth Interim Period (Docket #20150), filed on or about November 26, 2008, in which we recommended approval of fees totaling \$147,959.00 and expenses totaling \$108.00. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twenty-Ninth Period, dated December 17, 2008 (Docket #20283).

30th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Thirtieth Interim Period (Docket #21063), filed on or about March 21, 2009, in which we recommended approval of fees totaling \$108,192.75 and expenses totaling \$84.00. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirtieth Period, dated April 2, 2009 (Docket #21173).

31st Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Thirty-First Interim Period (Docket #22047), filed on or about June 10, 2009, in which we recommended approval of fees totaling \$85,245.50 and expenses totaling \$170.88. These

recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirty-First Period, dated July 7, 2009 (Docket #22354).

32nd Period: Fee Auditor's Report Regarding Fee Application of Charter Oak Financial Consultants LLC for the Thirty-Second Interim Period (Docket #22921), filed on or about August 21, 2009, in which we recommended approval of fees totaling \$68,580.00 and expenses totaling \$3.92, reflecting our recommended reduction of \$412.50 in fees, as more further explained in paragraph 3 of that final report. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirty-Second Period, dated September 28, 2009 (Docket #23352).

33rd Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Thirty-Third Interim Period (Docket #23927), filed on or about December 3, 2009, in which we recommended approval of fees totaling \$44,357.50. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirty-Third Period, dated December 11, 2009 (Docket #23996).

34th Period: Fee Auditor's Amended Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Thirty-Fourth Interim Period (Docket #24438), filed on or about March 11, 2010, in which we recommended approval of fees totaling \$43,775.50. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirty-Fourth Period, dated March 19, 2010 (Docket

#24470).

35th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Thirty-Fifth Interim Period (Docket #24856), filed on or about May 28, 2010, in which we recommended approval of fees totaling \$74,236.50 and expenses totaling \$156.00. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirty-Fifth Period, dated June 7, 2010 (Docket #24917).

36th Period: Fee Auditor's Amended Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Thirty-Sixth Interim Period (Docket #25384), filed on or about September 10, 2010, in which we recommended approval of fees totaling \$80,530.00 and expenses totaling \$39.96. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirty-Sixth Period, dated September 13, 2010 (Docket #25397).

37th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Thirty-Seventh Interim Period (Docket #25850), filed on or about December 2, 2010, in which we recommended approval of fees totaling \$47,787.00. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirty-Seventh Period, dated December 10, 2010 (Docket #25905).

38th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications

with No Fee or Expense Issues for the Thirty-Eighth Interim Period (Docket #26519), filed on or about March 9, 2011, in which we recommended approval of fees totaling \$29,189.50 and expenses totaling \$46.69. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirty-Eighth Period, dated March 25, 2011 (Docket #26627).

39th Period: Fee Auditor's Amended Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Thirty-Ninth Interim Period (Docket #27116), filed on or about June 21, 2011, in which we recommended approval of fees totaling \$37,525.00. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirty-Ninth Period, dated June 30, 2011 (Docket #27188).

40th Period: Fee Auditor's Amended Combined Final Report Regarding Those Fee Applications with No *De Minimis* or No Fee or Expense Issues for the Fortieth Interim Period (Docket #27507), filed on or about August 25, 2011, in which we recommended approval of fees totaling \$62,819.00. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Fortieth Period, dated September 20, 2011 (Docket #27622).

41st Period: Fee Auditor's Amended Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Forty-First Interim Period (Docket #28070), filed on or about December 2, 2011, in

which we recommended approval of fees totaling \$84,294.00 and expenses totaling \$10.32. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-First Period, dated December 14, 2011 (Docket #28150).

42nd Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Forty-Second Interim Period (Docket #28548), filed on or about February 20, 2012 in which we recommended approval of fees totaling \$91,455.50 and expenses totaling \$251.00. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-Second Period, dated March 23, 2012 (Docket #28705).

43rd Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Forty-Third Interim Period (Docket #28900), filed on or about May 9, 2012, in which we recommended approval of fees totaling \$43,074.00 and expenses totaling \$2.08. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-Third Period, dated June 14, 2012 (Docket #29054).

44th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Forty-Fourth Interim Period (Docket #29449), filed on or about August 13, 2012, in which we recommended approval of fees totaling \$57,652.00 and expenses totaling

\$35.00. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-Fourth Period, dated October 19, 2012 (Docket #29746).

45th Period: Fee Auditor's Amended Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Forty-Fifth Interim Period (Docket #29988), filed on or about December 4, 2012, in which we recommended approval of fees totaling \$91,849.00 and expenses totaling \$388.00. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-Fifth Period, dated December 11, 2012 (Docket #30036).

46th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Forty-Sixth Interim Period (Docket #30382), filed on or about March 7, 2013, in which we recommended approval of fees totaling \$57,753.00 and expenses totaling \$7.00. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-Sixth Period, dated March 27, 2013 (Docket #30440).

47th Period: Fee Auditor's Amended Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Forty-Seventh Interim Period (Docket #30840), filed on or about July 17, 2013, in which we recommended approval of fees totaling \$33,984.00 and expenses totaling \$25.00. These recommendations were adopted in the Order

Approving Quarterly Fee Applications for the Forty-Seventh Period, dated July 31, 2013 (Docket #30907).

48th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Forty-Eighth Interim Period (Docket #31080), filed on or about September 6, 2013, in which we recommended approval of fees totaling \$52,313.50 and expenses totaling \$39.10. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-Eighth Period, dated September 24, 2013 (Docket #31158).

49th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Forty-Ninth Interim Period (Docket #31404), filed on or about November 26, 2013, in which we recommended approval of fees totaling \$39,960.50 and expenses totaling \$5.00, reflecting our recommended reduction of \$10.00 in expenses, as further explained in footnote 20 of that final report. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-Ninth Period, dated December 17, 2013 (Docket #31482).

50th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Fiftieth Interim Period (Docket #31838), filed on or about March 11, 2014, in which we recommended approval of fees totaling \$52,368.00 and expenses totaling \$4.60. These recommendations were adopted in the Order Approving

Quarterly Fee Applications for the Fiftieth Period, dated March 11, 2014 (Docket #31963).

51st Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Fifty-First Interim Application Period (Docket #32197), filed on or about May 13, 2014, in which we recommended approval of fees totaling \$27,861.00. This recommendation was adopted in the Order Approving Quarterly Fee Applications for the Fifty-First Period, dated May 23, 2014 (Docket #32216).

6. We have reviewed the final reports and orders allowing fees and expenses for the prior interim periods, and we do not believe there is any reason to change any of the amounts awarded for the prior interim periods.

CONCLUSION

7. Thus, we recommend final approval of \$1,904,450.14⁴ in fees and \$2,712.64⁵ in expenses for Charter Oak's services for the Final Application Period.

⁴We note that the total of the fees requested in Charter Oak's 26 prior fee applications, plus the compensation sought for the Fifty-Second Interim Period, is \$1,904,862.64. It appears that Charter Oak has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 5, to arrive at the figure it seeks of \$1,904,450.14. We note that the Court has ruled on the First through Fifty-First Interim Periods, but no ruling has been made on the Fifty-Second Interim Period.

⁵We note that the total of the expenses requested in Charter Oak's 26 prior fee applications, plus the expenses sought for the Fifty-Second Interim Period, is \$2,717.64. It appears that Charter Oak has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 5, to arrive at the figure it seeks of \$2,712.64. We note that the Court has ruled on the First through Fifty-First Interim Periods, but no ruling has been made on the Fifty-Second Interim Period.

Respectfully submitted,

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FEE AUDITOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served by First Class United States mail to the attached service list on this 29th day of July, 2014.



Warren H. Smith

SERVICE LIST

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